

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2002

DESIREE' W. HONORE'
Certified Public Accountant
A Professional Corporation

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2002

CONTENTS

<u>INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS</u>	1
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
<u>NOTES TO FINANCIAL STATEMENTS</u>	6 - 7
<u>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</u>	8

Desiree' W. Honore', CPA

4264 Pasture Clear Court
Zachary, Louisiana 70791
Telephone: (225) 658-7854
Email: DHONORE@AOL.COM

A Professional Corporation

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Young Emerging Leaders of Louisiana, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Young Emerging Leaders of Louisiana, Inc. as of June 30, 2002, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Young Emerging Leaders of Louisiana, Inc.'s Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to the above present fairly, in all material respects, the financial position of Young Emerging Leaders of Louisiana, Inc. as of June 30, 2002, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2002, on our consideration of Young Emerging Leaders of Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


Baton Rouge, Louisiana
December 9, 2002

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
PERIOD ENDED JUNE 30, 2002

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$22,603	
Accounts Receivable	85,893	
Total current assets		<u>108,496</u>

PROPERTY AND EQUIPMENT

Equipment	18,606	
Furniture and fixture	9,547	
Automobiles	81,638	
Less accumulated depreciation	(60,904)	
Total property and equipment		<u>48,886</u>

Total assets		<u>\$157,382</u>
--------------	--	------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$17,554	
Accrued salaries and wages	\$10,501	
Payroll taxes payable	649	
		<u>28,705</u>

Total current liabilities

NET ASSETS - UNRESTRICTED	<u>128,677</u>	<u>128,677</u>
---------------------------	----------------	----------------

Total liabilities and net assets		<u>\$157,382</u>
----------------------------------	--	------------------

The accompanying notes are an integral part of this statement.

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
PERIOD ENDED JUNE 30, 2002

SUPPORT AND REVENUE

Grant from Governor's Office of Urban Affairs and Development	\$22,095
Grant from Department of Education (TANF)	137,462
La. State Treasury-Act 12	100,000
Summer Academy	7,120
Donations	500
Interest Income	32

Total support and revenue	<u>267,209</u>
---------------------------	----------------

EXPENSES

Program services	
Urban Affairs	53,515
Department of Education	130,026
State Treasury	49,834
Summer Academy	4,110
Administration	24,346

Total Expenses	<u>261,831</u>
----------------	----------------

CHANGE IN NET ASSETS	5,378
----------------------	-------

Net assets - beginning of period	<u>123,299</u>
----------------------------------	----------------

Net assets - end of period	<u><u>\$128,677</u></u>
----------------------------	-------------------------

The accompanying notes are an integral part of this statement.

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
PERIOD ENDED JUNE 30, 2002

	<u>Total</u>	<u>Urban Affairs</u>	<u>TANF</u>	<u>Treasury</u>	<u>Summer Academy</u>
ADMINISTRATIVE					
Salaries and wages	25,000	8,750	-	16,250	-
Employee Benefits	1,744	1,133	-	611	-
Payroll taxes	2,363	744	-	1,619	-
Advertising	4,000	-	-	4,000	-
Auto Supplies	741	219	436	86	-
Insurance	11,276	50	11,226	-	-
Interest	532	-	-	-	532
Postage	204	-	204	-	-
Professional Services	5,875	620	4,255	1,000	-
Rent	12,050	4,500	7,550	-	-
Repairs	811	-	713	98	-
Supplies	2,050	759	711	580	-
Telephone	5,390	521	4,751	118	-
Utilities	777	-	777	-	-
PROGRAM EXPENSES					
Salaries and wages	109,530	17,302	80,993	11,235	-
Employee Benefits	5,532	937	2,686	1,909	-
Payroll taxes	9,891	1,470	7,291	1,130	-
Therapeutic and training supplies	8,454	1,064	3,239	1,581	2,570
Travel	1,261	-	-	480	781
Tutorial (Other) Assistance/Services	30,537	15,446	5,195	9,137	759
Total expenses before depreciation	238,017				
Depreciation	23,814	-	-	-	-
Total Expenses	<u>\$261,831</u>	<u>\$53,515</u>	<u>\$130,026</u>	<u>\$49,834</u>	<u>\$4,642</u>

The accompanying notes are an integral part of this statement.

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
PERIOD ENDED JUNE 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$5,378
Adjustments to reconcile increase in net assets to net cash used by operating activities	
Depreciation	23,814
(Increase) decrease in operating assets	
Accounts Receivable	(85,893)
Increase in operating liabilities	
Accounts Payable	1,078
Accrued Salaries and Wages	10,501
Payroll liabilities	<u>649</u>
Net cash provided by operating activities	<u>(44,473)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of property and equipment	<u>0</u>
Net cash provided by investing activities	<u>0</u>

INCREASE IN CASH (44,473)

CASH AND CASH EQUIVALENTS - beginning of period 67,076

CASH AND CASH EQUIVALENTS - end of period \$22,603

The accompanying notes are an integral part of this statement.

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. Summary of Significant Accounting Policies

a. Operations

Young Emerging Leaders of Louisiana, Inc. (YELL) provides tutorial instruction in ACT preparation, Louisiana High School exit examination, and general subjects to local youths. Academy. The organization conducts workshops on teen pregnancy, community awareness, and services to elderly citizens of the community. The organization is dedicated to providing educational, tutoring, arts, counseling, and related services to "at risk" youths.

b. Basis of Preparation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization had no temporarily or permanently restricted net assets as of June 30, 2002.

c. Revenue

Young Emerging Leaders of Louisiana, Inc. receives substantially all of its grant and contract revenue from state agencies. Revenue is recognized when services are provided. Expenses are recognized as incurred.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by YELL, Inc. With the terms of the grants and contracts.

d. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and or nature of any donor restrictions. YELL has not received any contributions with donor imposed restrictions that would result in temporarily or permanently restricted net assets.

YOUNG EMERGING LEADERS OF LOUISIANA, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2002

e. Property and Equipment

Property and equipment are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized. When items are retired or otherwise disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any resulting gain or loss is credited to or charged against income. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives (25 years for building and improvements, 3-7 years for furniture and equipment, and 5 years for vehicles), using straight-line method.

f. Income Taxes

The Organization is a nonprofit organization that is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

g. Cash and Cash Equivalents

Cash and cash equivalents consist of items having maturities of three months or less from the date of acquisition.

h. Concentrations of Credit Risk

The Organization maintains its cash balances in financial institutions located in Baton Rouge, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$ 100,000.

2. Advertising

The Organization had advertising costs of \$ 4,000. These costs consisted of an ongoing billboard ad promoting the organization's presence in the community. The organization expensed all costs as they were incurred.

Desiree' W. Honore', CPA

4264 Pasture Clear Court
Zachary, Louisiana 70791
Telephone: (225) 658-8701
Email: DHONORE@AOL.COM

A Professional Corporation

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Young Emerging Leaders of Louisiana, Inc.

We have audited the financial statements of Young Emerging Leaders of Louisiana, Inc. for the year ended June 30, 2002 and have issued our report thereon date December 9, 2002. We have conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

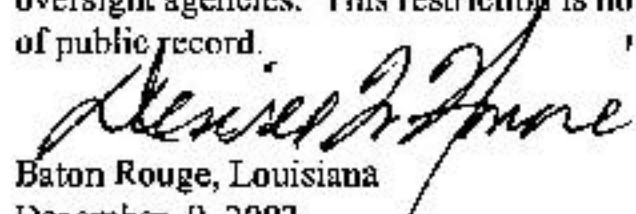
Compliance

As part of obtaining reasonable assurance about whether Young Emerging Leaders of Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Young Emerging Leaders of Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, Management, Office of the Legislative Auditor, Governor's Office on Urban Affairs, the State Treasurer's Office, Department of Education and other oversight agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Baton Rouge, Louisiana
December 9, 2002